| For and on behalf of Food Corporation of India | For and on behalf of the FCIESU (REGD. NO. 1158) |
|---|---|
| | SD/- SAMIR KUMAR DAS, ADDL. GENL. SECY., C.C |
| | SD/- K.P. SINGH ADDL. GENL. SECY., C.C |
| | SD/- SOM PAL SINGH VICE PRESIDENT, C.C |
| | SD/- A.A., AHMAD ADDL. GENL., SECY., C.C. |

**Export subsidy for wheat and rice**

1232. MISS MABEL REBELLO: Will the Minitster of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Food Corporation of India is exporting wheat with huge subsidy;

(b) the reasons for not giving such subsidy to Indian consumers;

(c) the amount actually spent on export subsidy for wheat and rice during the last year; and

(d) who bears the cost of export subsidy?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI ASHOK PRADHAN): (a) The Food Corporation of India is not directly exporting wheat. It offers wheat from the Central Pool to the Public Sector Undertaking (PSUs), private exporters and other agencies.

(b) Government is subsidizing Indian consumers through Targeted Public Distribution System (TPDS), Antyodaya Anna Yojana, Open Market Sales Scheme (Domestic) {OMSS (D)} and various other welfare schems.

(c) and (d) During 2000-2001, Government released food subsidy of Rs. 12010 crores to FCI for various schemes including export.-

**Diversion of PDS foodgrains**

1233. SHRI R.P. GOENKA: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Planning Commission has, in a detailed study, highlighted the evil of diversion of PDS grains and other stocks to the black market;

(b) if so, the relevant findings of the study;

(c) whether it is a fact that 31 per cent rice, 36 per cent wheat and 23 per cent sugar have been diverted so far;

(d) if so, the assessment of the loss to the national exchequer; and

(e) the steps being taken to plug this diversion?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI ASHOK PRADHAN): (a) to (d) Planning Commission has not conducted any independent study on diversion from PDS. However, in the Mid-Term Appraisal of Ninth Five Year Plan (1997—2002), the Planning Commission has stated that all is not well with PDS in India. Based on a study conducted by the Tata Economic Consultancy Services (TECS) in 1997, the Planning Commission has stated that there is 36% diversion of wheat, 31% diversion of rice and 23% diversion of sugar from the system at the national level.

The percentage of diversion with reference to different target groups for whom there are different Central Issue Prices is not available from the study which was conducted around the time targeted PDS was introduced. The findings were based on a sample of beneficiaries selected for the study. It is, therefore, not possible to quantify the loss of subsidy in monetary terms.

(e) The Public Distribution System is implemented under the joint responsibility of the Central and State Governments/UT Administrations. The Central Government is responsible for procurement, storage and transportation of the PDS commodities upto the central godowns and making them available to the States. The responsibility for distribution to the consumers through the Fair Price Shops and administration of the PDS rests with the State Governments and UT Administrations. State Governments have been requested to closely monitor PDS at the Fair Price Shops (FPS) and other levels and to make arrangement for distribution of PDS commodities in a transparent and accountable manner by involvement of Panchayati Raj Institutions (PRIs).

In order the streamline the functioning of Public Distribution System (PDS) and make it more accountable and effective, Govt. of India has issued the Public Distribution System (Control) Order, 2001 under Sector 3 of the Essential Commodities Act, 1955. The provisions of the PDS (Control)

Order, 2001 can be used by the State Governments/UT Administrations to remedy the Public Distribution System and make it transparent and accountable. States/UTs have also been asked to eliminate bogus ration cards and initiate action against erring FPS owners under Section 3 of Essential Commodities Act, 1955.

**PDS (Control) Order, 2001**

1234. PROF. M. SANKARALINGAM: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government have issued PDS (Control) Order, 2001 which would make cheating of foodgrains a punishable offence, etc;

(b) if so, the details thereof; and

(c) whether it has helped to remove cheating and reduce complaints in the system?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI ASHOK PRADHAN): (a) and (b) In order to streamline the functioning of Public Distribution System (PDS) and make it more accountable and effective, Government of India has issued the Public Distribution System (Control) Order 2001 under Section 3 of Essential Commodities Act, 1955. This order contains provisions in regard to the following matters:—

(i) Identification of families living below the poverty line;

(ii) Ration cards;

(iii) Scale and Issue prices;

(iv) Distribution of foodgrains;

(v) Licensing;

(vi) Monitoring; and

(vii) Penalities for violation

(c) The provisions of the PDS (Control) Order, 2001 can be used by the State Government/UT Administrations to remedy the Public Distribution System and make it transparent and accountable. Contraventions of the provisions of the orders is a cognizable offence under Section 3 of E.C. Act, 1955. It is hoped that it will help to reduce chances of malpractices.